

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

MAIL PROCESSING NETWORK
RATIONALIZATION SERVICE CHANGES, 2012

DOCKET No. N2012-1

**RESPONSES OF POSTAL SERVICE WITNESS RACHEL TO
INTERROGATORIES OF THE NATIONAL POSTAL MAIL HANDLERS UNION
(NPMHU/USPS-T8-2, 5, 7, 10(a))**

The United States Postal Service hereby provides its responses to the above-referenced interrogatories of the National Postal Mail Handlers Union (“NPMHU”) dated January 11, 2012. Each interrogatory is stated verbatim and is followed by the response. Interrogatories NPMHU/USPS-T8-1 and 10(b) have been redirected to USPS witness Marc Smith (USPS-T-9). Interrogatories NPMHU/USPS-T8-3, 4, 6, 8, 9, 11 and 12 have been redirected to the Postal Service for an institutional response. The Postal Service filed a partial objection to NPMHU/USPS-T8-6 on January 23, 2012.

Respectfully submitted,

By its attorneys:

KEVIN A. CALAMONERI
Managing Counsel
Corporate and Postal Business Law

MATTHEW J. CONNOLLY
Attorney

475 L'Enfant Plaza, S.W.
Washington, D.C. 20260-1137
(202) 268-2998; Fax -5402
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NPMHU/USPS-T8-2. In the Postal Service's Institutional Response to the Public Representatives First Interrogatory, PR/USPS-T8-1, the Postal Service states that "FTEs in this context do not equate to the number of staff to be 'eliminated.'" Please confirm that FTE workhour reductions of this magnitude will require an analogous number of staff eliminations; if not confirmed, please explain how the savings will be achieved.

RESPONSE:

Not confirmed. Workhour reductions can be achieved in a number of ways, including the reduction of full, part-time, or non-career employees, or through the reduction of workhours or overtime hours for these groups. The Postal Service has several complement-reduction tools that can be used to achieve labor savings. Please see page 15 of my testimony.

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NPMHU/USPS-T8-5. Is the Postal Service planning a reduction in force of any craft employees, or does the Postal Service's projected savings from the MPNR presuppose a reduction in force of any craft employees? If so, how large a reduction is projected, breaking the numbers down by craft?

RESPONSE:

The Postal Service is not currently planning a reduction in force of any craft employees.

The Postal Service's projected savings from the MPNR does not presuppose a reduction in force of any craft employees.

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NPMHU/USPS-T8-7. Is the Postal Service considering offering a voluntary retirement program or retirement incentive program as part of MPNR, or does the projected cost savings presuppose attrition achieved through either such program?

- (a) If the answer to the NPMHU/RACHEL-7 is no, has this been considered as an option?

RESPONSE:

The Postal Service is considering the possibility of offering a voluntary early retirement program and/or retirement incentive options to achieve MPNR's objective of reducing employee complement. The projected cost savings does not necessarily presuppose attrition achieved through either such program.

- (a) As stated in my testimony (USPS-T-8 at 15), a voluntary early retirement program and retirement incentive options are tools that the Postal Service would consider using to achieve MPNR's objective of reducing employee complement.

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NPMHU/USPS-T8-10. On page 18 of your testimony, you state that “at impact sites without multiple mail processing locations within the commuting area. . . a greater reliance on accelerating normal attrition will be necessary in order to more timely capture staffing reduction savings.”

- (a) Please explain what the Postal Service has done to plan for “accelerating normal attrition” in such circumstances, including by identifying the locations where you anticipate that this greater reliance on accelerating normal attrition will be necessary.
- (b) Please confirm that the Postal Service's projected costs savings as presented to the Commission presuppose that this acceleration of normal attrition will be achieved. If not confirmed, please explain why this is not accurate.

RESPONSE:

- (a) Any Postal Service plans for accelerating normal attrition cannot be developed until the Postal Service makes final determinations regarding which plants will be consolidated under MPNR. Because such final determinations have not been issued, no plans for accelerating normal attrition have been developed.
- (b) [Redirected to Postal Service Witness Marc Smith (USPS-T-9).]